

# Post-Negotiation Memo

**“A” Street – “Z” Street, URB-9999(9), CN 99999**

The project was negotiated on **1/1/2011** at **1:00 pm**, at the **County Court House**, in **Utopia**, Nebraska. The meeting was attended by the following individuals:

**John Doe**

*Name*

**RC**

*Title*

**Jane Smith**

*Name*

**Highway Superintendent**

*Title*

**Don Peterson**

*Name*

**Construction Engineer – Fake Consulting, Inc.**

*Title*

## Services Negotiated:

The services negotiated for this project consisted of **Construction Engineering**.

Work Tasks		Hours			
		ICE	Consultant	Final	Delta
1	<b>Project Management</b>	60	80	65	5
2	<b>Meetings</b>	40	50	40	0
3	<b>Traffic Control Plans</b>	10	10	10	0
4	<b>Construction Surveying</b>	100	140	140	40
5	<b>Shop Drawing Review</b>	5	12	10	5
6	<b>Construction Consultation</b>	4	16	4	0
7	<b>Construction Inspection</b>	500	400	440	(60)
8	<b>Perform Materials &amp; Testing</b>	200	300	200	0
9	<b>Record Drawings</b>	30	48	40	10
10	<b>Project Closeout</b>	20	24	24	4
11	<b>Final Inspection</b>	10	10	10	0
12	<b>Travel Time</b>	40	80	60	20
<b>Total Hours:</b>		<b>1019</b>	<b>1170</b>	<b>1043</b>	<b>24</b>

<b>Total Labor Costs:</b>	\$31,140.64	\$38,750.20	\$33,820.65	\$2,680.01
<b>Overhead Costs @ 160.5%:</b>	\$49,980.73	\$62,194.07	\$54,282.14	\$4,301.41
<b>Fixed Fee for Profit: @ 12.5%:</b>	\$10,140.17	\$12,618.03	\$11,012.85	\$872.68
<b>Travel / Direct Costs:</b>	\$3,000	\$4,255.50	\$3,950.50	\$950.50
<b>Total Cost:</b>	<b>\$94,261.54</b>	<b>\$117,817.80</b>	<b>\$103,066.14</b>	<b>\$8,804.60</b>

## Justification for Negotiations:

- Task 1:** The CONSULTANT overlapped some time for meetings in this task. That additional amount was reduced and negotiated down to 65 total hours.
- Task 2:** The CONSULTANT had 1 additional meeting that they anticipated. After further discussions, this meeting was not needed and the additional hours were removed from this task.
- Task 3:** No change, both parties agreed upon the 10 hours for this task.
- Task 4:** The CONSULTANT had more hours than the RC initially anticipated. After further discussions, the RC agreed that one more week (40 hours) of surveying would be necessary to complete this project.
- Task 5:** Both parties agreed upon 10 total hours for this task.
- Task 6:** The RC felt the CONSULTANT hours were too high for this task. After further discussions, the CONSULTANT agreed that 4 hours would be sufficient for this project.
- Task 7:** After reviewing the number of working days on the project and the additional requirements for this project, the hours were negotiated at 440
- Task 8:** The RC felt the CONSULTANT hours were too high originally for this task. The RC consulted with NDOR's M&R staff and they agreed that the CONSULTANT had too many test for this particular project. After further discussions, the CONSULTANT agreed upon the RC's hours.
- Task 9:** Both parties agreed upon 40 total hours for this task.
- Task 10:** Both parties agreed upon 24 total hours for this task.
- Task 11:** No change, both parties agreed upon the 10 hours for this task.
- Task 12:** The Travel Time was reduced to reflect the changes in the inspection time on the project and the additional visits. Both parties agreed upon 60 hours for this task.
- Fixed Fee Rate:** The RC had 12% initially for the fixed fee rate & the CONSULTANT had 12.5%. The RC incorrectly filled out his fixed fee worksheet and the final fixed fee was negotiated at 12.5%.
- Travel / Direct Costs:** The mileage costs was reduced based on the inspection days negotiated. The construction staking material costs were underestimated by the RC, based on a misunderstanding by the RC. These costs were agreed upon after the misunderstanding was resolved. The RC requested additional prints for this project, higher than the CONSULTANT originally estimated for.

## Summary of Negotiations and Action Items:

Based upon the negotiation meeting and the revisions provided by the CONSULTANT, the City of Utopia has agreed to fair and reasonable costs for these services provided by the Consultant. The RC has received the revised scope and fee proposal from the Consultant and reviewed it. The RC is submitting these revised documents along with this memo to the Local Projects Coordinator for final approval.

I recommend acceptance of the revised scope of services and fee; and the award of the contract in the amount of **\$103,066.14**.

Prepared By:

*John Doe*

LPA Signature

*RC*

Title

*1/3/2011*

Date